

## Article - Real Property

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§3–105.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Borrower” means an individual who is mortgagor or grantor on a mortgage or deed of trust and whose loan was for personal, household, or family purposes or for a commercial purpose not in excess of \$75,000.

(3) (i) “Holder” means the person to whom a loan secured by a mortgage or deed of trust is owed or that person’s designee.

(ii) “Holder” does not include a responsible person.

(4) “Loan” means all indebtedness and other obligations of a borrower secured by a mortgage or deed of trust.

(5) “Mortgage or deed of trust” means a mortgage, deed of trust, security agreement, or other lien secured by a borrower’s principal dwelling.

(6) (i) “Responsible person” means a person other than the holder or the holder’s designee who has undertaken responsibility for filing a release of a mortgage or deed of trust with the governmental agency charged with recording the release.

(ii) “Responsible person” includes:

1. The person responsible for the disbursement of funds in connection with the grant of title to the property; and

2. An attorney or other person responsible for preparing the HUD–1 settlement statement required under the federal Real Estate Settlement Procedures Act.

(b) (1) Except as provided in paragraph (2) of this subsection, this section does not apply to a mortgage or deed of trust given to secure or guaranty a commercial loan as defined in § 12–101 of the Commercial Law Article.

(2) This section applies to a mortgage or deed of trust given by an individual to secure a commercial loan to that individual if the commercial loan was not in excess of \$75,000 and was secured by the borrower’s principal dwelling.

(c) Within a reasonable time after a loan secured by an existing mortgage or deed of trust has been paid in full and there is no further commitment by the holder to make an advance or by the borrower to incur an obligation secured by that mortgage or deed of trust, the holder shall:

(1) (i) Indelibly mark with the word “paid” or “canceled” and return to the borrower each agreement, note, or other evidence of the loan secured by that mortgage or deed of trust; or

(ii) Furnish the borrower with a written statement that identifies the loan secured by that mortgage or deed of trust and states that the loan has been paid in full; and

(2) Release any recorded mortgage or deed of trust securing the loan.

(d) The release shall be:

(1) In writing; and

(2) Prepared at the expense of the holder.

(e) (1) If the holder does not record the release or provide the release to a responsible person for recording within 45 days after a loan secured by an existing mortgage or deed of trust has been paid in full and there has been no further commitment by the holder to make an advance or by the borrower to incur an obligation secured by the mortgage or deed of trust, the holder shall furnish the borrower with:

(i) The release in a recordable form; and

(ii) A notice disclosing the location where the release should be recorded and the estimated amount of any fee required to be paid to a governmental entity in order to record the release.

(2) If the holder records the release, the holder shall furnish the borrower with a copy of the release.

(f) (1) A fee for the recording of a release may be collected by the holder from the borrower subject to this subsection.

(2) If a fee is collected for the recording of a release:

(i) The release shall be recorded by the holder; and

(ii) Any portion of the fee not paid to a governmental entity for recording the release that exceeds \$15 shall be refunded to the borrower.

(3) A fee authorized under this subsection is not interest with respect to any loan.

(4) If a fee is not collected for the recording of a release, the holder is not obligated to record the release.

(g) (1) This subsection does not apply to:

(i) A licensee under Title 11, Subtitle 5 of the Financial Institutions Article; or

(ii) An entity described in § 11–502(b)(1) or (10) of the Financial Institutions Article.

(2) Except as provided in paragraph (1) of this subsection, if the borrower is the prevailing party in an action to require the delivery of the release, the holder is liable for the delivery of a release and for all costs and expenses in connection with the bringing of the action, including reasonable attorney's fees.

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